

RA3

**DRAFT MEETING MINUTES
CITY OF MILPITAS**

Minutes of: Regular Meeting of the Redevelopment Agency
(Including Joint Meeting with the City Council)

Date: Tuesday, February 7, 2006

Time: 7:00 PM

Location: City Hall Council Chambers, 455 E. Calaveras Blvd.

JOINT REDEVELOPMENT AGENCY AND CITY COUNCIL MEETING

**RA1.
CALL TO ORDER**

Mayor/Agency Chairman Esteves called to order the regular meeting of the Milpitas Redevelopment Agency, meeting jointly with the City Council, at 7:43 PM.

**RA2.
ROLL CALL**

PRESENT: Mayor/Chair Esteves, Vice Mayor/Vice Chair Gomez, and Agency/Councilmembers Giordano, Livengood and Polanski

**RA3.
MINUTES**

Motion: to approve the Redevelopment Agency minutes of January 17, 2006, including joint meeting with the City Council, as submitted.

Motion/ Second: Agency/Councilmember Livengood / Vice Chair/Vice Mayor Giordano

Motion carried by a vote of: AYES: 5
NOES: 0

**RA 4. Approval of Agenda and
Consent Calendar**

Motion: to approve the agenda and consent calendar

Motion/Second: Agency/Councilmember Livengood/ Vice Chair/Vice Mayor Gomez

Motion carried by a vote of: AYES: 5
NOES: 0

**RA 5. Receive Progress Report
on Library and East Parking
Garage, Project No. 8162 and
No. 8161**

Mark Rogge gave an update on the new library project work to date. He reviewed energy efficiency savings in his presentation on costs. So far, project staff maintained the budget, with regular furniture and fixed cost estimates remaining the same.

Additionally, Mr. Rogge displayed newer artist renderings of the new library structure, including a unique tencel fabric roof as described. He then reviewed the status of the parking garage at the library, including a utility re-do project (awarded on the consent calendar). He discussed efforts to maintain existing businesses in the downtown region when construction starts, to maintain business access on the street. Community information would be found on the City website, and compliance with best management practices would be executed.

Councilmember Giordano had a question on the removal of photovoltaic panels: was there any aesthetic impact? Mark Rogge said a modest one, with a handsome look.

Vice Mayor Gomez asked about Best Management practices in construction: were those the same as a mitigation plan? Mr. Rogge responded by reviewing explicitly what actions would be taken toward mitigation in the downtown.

Staff gave an update on site preparation work that had been occurring on site. All asbestos was removed from buildings, and then torn down - blacksmith shop and others (branded boards were saved for display). Work continued at the school section of the site, with removal of paint, asbestos, and all hazardous material. It was due to wrap up at the end of the month. The site was due to be ready on March 7 for ground abatement work (ahead of schedule).

MOTION: note receipt of staff report by Mr. Rogge

Motion/second: Councilmember Polanski/Councilmember Livengood

Motion carried by a vote of: AYES: 5
NOES: 0

**RA 6. City of Milpitas
Financial Status Report for Six
Months Ended December 31,
2005**

Finance Director Emma Karlen reported the City's financial status to date. She highlighted the reduced unemployment rate in the county (up from a year ago) and an increase in sales tax revenue during the last quarter.

She provided more details, such as inflation was not an anticipated problem, while the state's economy was sensitive to interest rate increases for developers and home buyers (per an ABAG report). Overall anticipated revenue was slightly higher than budgeted, with lower sales tax, due to the anticipated car dealerships that would not be ready for business until the next fiscal year.

Ms. Karlen explained a 25% increase in two one-time transactions: \$1.1 million repayment of Vehicle License Fees (from 2003-04) by the state (it was repaid a bit earlier than promised) and the recent sale of the former City Manager's Milpitas home.

Expenditures were on target, at 50% this time of the year, with a small savings in department budgets, as 5% at the beginning of year. Questions remained on how to balance the budget at year's end. Likely, the City would need part of redevelopment funds to balance the General Fund.

Councilmember Livengood recalled that the Council made a policy statement that it does not want to use any more reserve funds to balance the City's budget. Constraint being shown by staff was laudable and appreciated, but it was bad that money was still tight (operating with deficit), a slow economic recovery, and the need to continue with a conservative budget. He thanked the City Manager and staff.

The Finance Director announced several budget-related meetings upcoming: on Tuesday, March 14 at 6 PM was the council budget work session; on April 18 Council review of Capital Improvement Project plan overall; May 9 was the budget hearing, with May 11 as an alternative date if more time was needed; and finally, June 6 was the scheduled date for final budget adoption.

Mayor Esteves had questions about the sale of some properties to the Agency in the amount of \$6.1 million. Ms. Karlen explained that \$6.1 million was the amount projected to be used to balance the City's General Fund budget, via a transfer to RDA from the City for purchase of city properties. She described the mechanism to balance the budget presently, not as a way to balance the budget forever.

Motion: note receipt of the Finance Director's report

Motion/Second: Agency/Councilmember Livengood/Agency/Councilmember Giordano

Motion carried by a vote of: AYES: 5
NOES: 0

**RA 7. Approve FY 2005-06
Mid Year Budget
Modifications for Operating
Budget and Capital
Improvement Projects**

Finance Director Emma Karlen provided a Mid-Year budget review of Capital Improvement Projects and other items for budget adjustments, totaling \$1,105,068.

Mayor Esteves inquired about two items: \$150,000 for fuel needed (a 25% increase, due to the high price of the commodity) and \$480,000 in sewer costs. The Public Works Director explained the economy of scale for the sewer replacement project this year.

Vice Mayor Gomez inquired about an event for re-naming the Senior Center and its funding source. The Finance Director stated the City Council community promotions budget (\$3,000) and another (\$2000) line item were recommended by staff, to cover the proposed costs.

Councilmember Livengood was not clear on how these items were not going to impact the General Fund. Ms. Karlen explained they were designed for full cost recovery. Also, Fire Chief Frank stated that FEMA reimbursement funds were expected to be received by the end of this fiscal year.

Motion: Approve staff recommendations, as follows:

Additional budget appropriations for operating and capital improvement projects expenses:

1. \$5,068 from the General Fund to Recreation Division to provide funding to the Senior Nutrition program due to increased participation and for sign language interpreters services at a Rainbow Theatre performance.
2. \$300,000 from the Redevelopment Agency Project Fund to City Attorney's operating budget to pay for additional attorneys fees and other litigation costs associated with the City Hall.
3. \$150,000 from Equipment Fund to Public Works Department to cover increased price of fuel.
4. \$480,000 from the Sewer Fund to Capital Project no. 6073 Sewer Deficiency Program for sewer main replacements.
5. \$40,000 from the Water Fund to Capital Project no. 7098 South Milpitas Water Replacement to complete the seismic design of the pipeline.
6. \$60,000 from the Redevelopment Agency Project Fund to Capital Project no. 8106 Storm Water Pump Station Improvements to fund rehabilitation of the roof for Penitencia and Bellew Storm Drain Pump Stations.
7. \$60,000 from the Redevelopment Agency Project Fund to Capital Project no. 8135 Buildings Improvements to update the fire alarm system in City Hall and other improvements to Fire Stations 1, 2 and 3.
8. \$10,000 from the Redevelopment Agency Project Fund to Capital Project no. 8159 Evidence Freezer to fund upgrades necessary to meet building permits requirements.

Funding requests that do not impact Fund Balances:

9. \$23,709 from the General Fund to Recreation Division to pay for contractual service for Youth Basketball program. The costs for these services have been recovered through enrollment fees.
10. \$67,090 to increase Fire Department overtime and training budget by \$65,400 and \$1,690 respectively. The funding sources for the additional appropriations are from FEMA reimbursement, overtime plan check service reimbursement and deposit holding account.
11. \$78,610 from developer contributions to Capital Project no. 4186 Abel/Calaveras Right Turn Lane to fund additional right of way costs.
12. Re-open Capital Project no. 8134 Senior Center Renovation to pay the outstanding invoices totaling \$190,000. The project has sufficient funding for this request.

Motion/Second: Vice Chair/Vice Mayor Gomez / Agency/Councilmember Livengood

Motion carried by a vote of:

AYES: 5

NOES: 0

***RA 8. City of Milpitas
Investment Portfolio Status
Report for the Quarter Ended
December 31, 2005**

Received the investment report from the Finance Director for the quarter ended December 31, 2005.

***RA 9. Adopt Resolution
Granting Initial Acceptance:
Sports Center Underwater
Pool Lighting, Project No.
8163**

Adopted Resolution No. RA 248 granting initial acceptance of the project subject to the one-year warranty period and reduction of the faithful performance bond to \$4,387.60.

***RA 10. Award Construction
Contract: No. Main Street
Utility Improvements, Project
No. 8153**

1. Approved an appropriation of \$900,000 to Project 8153, North Main Street Utilities, from developer reimbursements.
2. Awarded construction Contract to D'Arcy & Hardy in the amount of \$3,267,704.

*** RA 11. Authorize City
Manager to Execute several
actions**

Executed an Agreement for Consultant Services: Swinerton Management & Consulting for N. Main St. Improvements, Project 8165; Land Acquisition and Site Prep, Project 8154, N. Main St. Environmental Impact Report Mitigations, Project 8169; Main Sewer Pump Station, Project 6103 and Other Capital Improvement Projects - in the amount of \$880,000 subject to approval as to form by the City Attorney.

RA 12. ADJOURNMENT

Chair/Mayor Esteves adjourned the Redevelopment Agency meeting at 8:33 PM.

Meeting Minutes respectfully submitted by:

Mary Lavelle
Agency Secretary/City Clerk